

1-1 By: Hinojosa, Bettencourt S.B. No. 624  
 1-2 (In the Senate - Filed February 18, 2015; February 23, 2015,  
 1-3 read first time and referred to Committee on Finance; April 9, 2015,  
 1-4 reported adversely, with favorable Committee Substitute by the  
 1-5 following vote: Yeas 12, Nays 0; April 9, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Nelson	X			
1-8 Hinojosa	X			
1-9 Bettencourt	X			
1-10 Eltife			X	
1-11 Hancock	X			
1-12 Huffman	X			
1-13 Kolthorst	X			
1-14 Nichols	X			
1-15 Schwertner	X			
1-16 Seliger	X			
1-17 Taylor of Galveston			X	
1-18 Uresti	X			
1-19 Watson	X			
1-20 West	X			
1-21 Whitmire			X	

1-23 COMMITTEE SUBSTITUTE FOR S.B. No. 624 By: Hinojosa

1-24 A BILL TO BE ENTITLED  
 1-25 AN ACT

1-26 relating to installment payments of ad valorem taxes.  
 1-27 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
 1-28 SECTION 1. Sections 31.031(a-1), (a-2), and (b), Tax Code,  
 1-29 are amended to read as follows:

1-30 (a-1) An individual to whom this section applies may pay a  
 1-31 taxing unit's taxes imposed on property that the person owns and  
 1-32 occupies as a residence homestead in four equal installments  
 1-33 without penalty or interest if the first installment is paid before  
 1-34 the delinquency date and is accompanied by notice to the taxing unit  
 1-35 that the person will pay the remaining taxes in three equal  
 1-36 installments. If the delinquency date is February 1, the [The]  
 1-37 second installment must be paid before April 1, the third  
 1-38 installment must be paid before June 1, and the fourth installment  
 1-39 must be paid before August 1. If the delinquency date is a date  
 1-40 other than February 1, the second installment must be paid before  
 1-41 the first day of the second month after the delinquency date, the  
 1-42 third installment must be paid before the first day of the fourth  
 1-43 month after the delinquency date, and the fourth installment must  
 1-44 be paid before the first day of the sixth month after the  
 1-45 delinquency date.

1-46 (a-2) Notwithstanding the deadline prescribed by Subsection  
 1-47 (a-1) for payment of the first installment, an individual to whom  
 1-48 this section applies may pay the taxes in four equal installments as  
 1-49 provided by Subsection (a-1) if the first installment is paid and  
 1-50 the required notice is provided before the first day of the first  
 1-51 month after the delinquency date [March 1].

1-52 (b) If the individual fails to make a payment, including the  
 1-53 first payment, before the applicable date provided by Subsection  
 1-54 (a-1), the unpaid installment [amount] is delinquent and incurs a  
 1-55 penalty of six percent and interest as provided by Section  
 1-56 33.01(c). The penalty provided by Section 33.01(a) does not apply  
 1-57 to the unpaid installment [amount].

1-58 SECTION 2. Sections 31.032(b) and (c), Tax Code, are  
 1-59 amended to read as follows:

1-60 (b) If, before the delinquency date, a person pays at least

2-1 one-fourth of a taxing unit's taxes imposed on property that the  
 2-2 person owns, accompanied by notice to the taxing unit that the  
 2-3 person will pay the remaining taxes in installments, the person may  
 2-4 pay the remaining taxes without penalty or interest in three equal  
 2-5 installments. If the delinquency date is February 1, the [The]  
 2-6 first installment must be paid before April 1, the second  
 2-7 installment must be paid before June 1, and the third installment  
 2-8 must be paid before August 1. If the delinquency date is a date  
 2-9 other than February 1, the first installment must be paid before the  
 2-10 first day of the second month after the delinquency date, the second  
 2-11 installment must be paid before the first day of the fourth month  
 2-12 after the delinquency date, and the third installment must be paid  
 2-13 before the first day of the sixth month after the delinquency date.

2-14 (c) If the person fails to make a payment before the  
 2-15 applicable date provided by Subsection (b), the unpaid installment  
 2-16 [amount] is delinquent and incurs a penalty of six percent and  
 2-17 interest as provided by Section 33.01(c).

2-18 SECTION 3. Sections 33.011(d) and (i), Tax Code, are  
 2-19 amended to read as follows:

2-20 (d) A request for a waiver of penalties and interest under  
 2-21 Subsection (a)(1) or (3), (b), (h), or (j) must be made before the  
 2-22 181st day after the delinquency date. A request for a waiver of  
 2-23 penalties and interest under Subsection (a)(2) must be made before  
 2-24 the first anniversary of the date the religious organization  
 2-25 acquires the property. A request for a waiver of penalties and  
 2-26 interest under Subsection (i) must be made before the 181st day  
 2-27 after the date the property owner making the request receives  
 2-28 notice of the delinquent tax that satisfies the requirements of  
 2-29 Section 33.04(c) [~~33.04(b)~~]. To be valid, a waiver of penalties or  
 2-30 interest under this section must be requested in writing. If a  
 2-31 written request for a waiver is not timely made, the governing body  
 2-32 of a taxing unit may not waive any penalties or interest under this  
 2-33 section.

2-34 (i) The governing body of a taxing unit may waive penalties  
 2-35 and interest on a delinquent tax that relates to a date preceding  
 2-36 the date on which the property owner acquired the property if:

2-37 (1) the property owner or another person liable for  
 2-38 the tax pays the tax not later than the 181st day after the date the  
 2-39 property owner receives notice of the delinquent tax that satisfies  
 2-40 the requirements of Section 33.04(c) [~~33.04(b)~~]; and

2-41 (2) the delinquency is the result of taxes imposed on:  
 2-42 (A) omitted property entered in the appraisal  
 2-43 records as provided by Section 25.21;  
 2-44 (B) erroneously exempted property or appraised  
 2-45 value added to the appraisal roll as provided by Section 11.43(i);  
 2-46 or

2-47 (C) property added to the appraisal roll under a  
 2-48 different account number or parcel when the property was owned by a  
 2-49 prior owner.

2-50 SECTION 4. Section 33.02, Tax Code, is amended by amending  
 2-51 Subsections (a) and (b-1) and adding Subsections (a-1) and (f) to  
 2-52 read as follows:

2-53 (a) The collector for a taxing unit may enter into an  
 2-54 agreement with a person delinquent in the payment of the tax for  
 2-55 payment of the tax, penalties, and interest in installments. The  
 2-56 collector for a taxing unit shall, on request by a person delinquent  
 2-57 in the payment of the tax on a residence homestead for which the  
 2-58 property owner has been granted an exemption under Section 11.13,  
 2-59 enter into an agreement with the person for payment of the tax,  
 2-60 penalties, and interest in installments if the person has not  
 2-61 entered into an installment agreement with the collector for the  
 2-62 taxing unit under this section in the preceding 24 months.

2-63 (a-1) An installment agreement under this section:

2-64 (1) must be in writing;

2-65 (2) must provide for payments to be made in [~~equal~~]  
 2-66 monthly installments;

2-67 (3) must extend for a period of at least 12 months if  
 2-68 the property that is the subject of the agreement is a residence  
 2-69 homestead for which the person entering into the agreement has been

3-1 granted an exemption under Section 11.13; and

3-2 (4) may not extend for a period of more than 36 months.

3-3 (b-1) Except as otherwise provided by this subsection, a  
3-4 penalty does not accrue as provided by Section 33.01(a) on the  
3-5 unpaid balance during the period of the agreement if the property  
3-6 that is the subject of the agreement is a residence homestead for  
3-7 which the property owner has been granted an exemption under  
3-8 Section 11.13. If the property owner fails to make a payment as  
3-9 required by the agreement, a penalty accrues as provided by Section  
3-10 33.01(a) on the unpaid balance as if the owner had not entered into  
3-11 the agreement.

3-12 (f) The collector for a taxing unit must deliver a notice of  
3-13 default to a person who is in breach of an installment agreement  
3-14 under this section and to any other owner of an interest in the  
3-15 property subject to the agreement whose name appears on the  
3-16 delinquent tax roll before the collector may seize and sell the  
3-17 property or file a suit to collect a delinquent tax subject to the  
3-18 agreement.

3-19 SECTION 5. Section 33.04, Tax Code, as amended by Chapters  
3-20 935 (H.B. 1597) and 967 (H.B. 1913), Acts of the 83rd Legislature,  
3-21 Regular Session, 2013, is amended to read as follows:

3-22 Sec. 33.04. NOTICE OF DELINQUENCY. (a) At least once each  
3-23 year the collector for a taxing unit shall deliver a notice of  
3-24 delinquency to each person whose name appears on the current  
3-25 delinquent tax roll. However, the notice need not be delivered if:

3-26 (1) a bill for the tax was not mailed under Section  
3-27 31.01(f); or

3-28 (2) the collector does not know and by exercising  
3-29 reasonable diligence cannot determine the delinquent taxpayer's  
3-30 name and address.

3-31 (b) A notice of delinquency under this section must contain  
3-32 the following statement in capital letters: "IF THE PROPERTY  
3-33 DESCRIBED IN THIS DOCUMENT IS YOUR RESIDENCE HOMESTEAD, YOU SHOULD  
3-34 CONTACT THE TAX COLLECTOR FOR (NAME OF TAXING UNIT) REGARDING A  
3-35 RIGHT YOU MAY HAVE TO ENTER INTO AN INSTALLMENT AGREEMENT DIRECTLY  
3-36 WITH THE TAX COLLECTOR FOR (NAME OF TAXING UNIT) FOR THE PAYMENT OF  
3-37 THESE TAXES."

3-38 (c) [~~(b)~~] If the delinquency is the result of taxes imposed  
3-39 on property described by Section 33.011(i), the first page of the  
3-40 notice of delinquency must include, in 14-point boldfaced type or  
3-41 14-point uppercase letters, a statement that reads substantially as  
3-42 follows: "THE TAXES ON THIS PROPERTY ARE DELINQUENT. THE PROPERTY  
3-43 IS SUBJECT TO A LIEN FOR THE DELINQUENT TAXES. IF THE DELINQUENT  
3-44 TAXES ARE NOT PAID, THE LIEN MAY BE FORECLOSED [ON]."

3-45 [~~(c)~~ ~~The collector for a taxing unit must deliver a notice~~  
3-46 ~~of delinquency to a person who is in breach of an installment~~  
3-47 ~~agreement under Section 33.02 and to any other owner of an interest~~  
3-48 ~~in the property subject to the agreement whose name appears on the~~  
3-49 ~~delinquent tax roll before the collector may seize and sell the~~  
3-50 ~~property or file a suit to collect a delinquent tax subject to the~~  
3-51 ~~agreement.]~~

3-52 SECTION 6. Sections 31.031(d) and 31.032(e), Tax Code, are  
3-53 repealed.

3-54 SECTION 7. (a) The changes in law made by this Act to  
3-55 Sections 31.031, 31.032, and 33.02, Tax Code, apply only to an  
3-56 installment agreement for the payment of ad valorem taxes entered  
3-57 into on or after the effective date of this Act. An installment  
3-58 agreement for the payment of ad valorem taxes entered into before  
3-59 the effective date of this Act is governed by the law in effect on  
3-60 the date the agreement was entered into, and the former law is  
3-61 continued in effect for that purpose.

3-62 (b) The change in law made by this Act to Section 33.04, Tax  
3-63 Code, applies only to a notice of delinquency delivered on or after  
3-64 the effective date of this Act. A notice of delinquency delivered  
3-65 before the effective date of this Act is governed by the law in  
3-66 effect on the date the notice was delivered, and the former law is  
3-67 continued in effect for that purpose.

3-68 SECTION 8. To the extent of any conflict, this Act prevails  
3-69 over another Act of the 84th Legislature, Regular Session, 2015,

4-1 relating to nonsubstantive additions to and corrections in enacted  
4-2 codes.

4-3 SECTION 9. This Act takes effect September 1, 2015.

4-4

\* \* \* \* \*